

SEP 05 2017

Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT

USA Franchise LLC
Taste of Mediterranean
2 TORONTO ST. #324
TORONTO, ONTARIO, CANADA
info@tasteofmediterranean.ca
Fax 1-866-735-1045
Phone 416-821-5561
www.tasteofmediterranean.com



Taste of Mediterranean is a Fast Food Restaurant Franchise Business. We serve Greek and Middle Eastern Food, like Chicken Souvlaki, Shawarma, Gyros, Pita Sandwiches, Platters and Salads.

The total investment necessary to begin operation of a Taste of Mediterranean franchised business is \$98,800 to \$287,400. This includes \$20,000 that must be paid to the franchisor or its affiliate(s) for the Franchise Fee.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

You have received this disclosure document via e-mail. You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Sam Hussein, the CEO of USA Franchise LLC, either via e-mail, fax or mail:

**2 Toronto St. # 324, Toronto, ON, M5C 2B5, CANADA
Canada Phone: 416-821-5561 USA Phone: 716-903-3039
sam@tasteofmediterranean.com , Fax # 1-866-735-1045,**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A

Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

The information in this Disclosure Document is only a summary of more detailed information appearing in the Franchise Agreement attached to and forming part of this Disclosure Document as EXHIBIT B (the "Franchise Agreement"). Potential Franchisees and licensees should carefully review the entire contents of this Disclosure Document and the Franchise Agreement, and all other agreements referred to in this Disclosure Document with their accounting, legal and other professional advisers regarding the grant of a franchise or a licensed business.

ISSUANCE DATE: May 16, 2017

STATE COVER PAGE

Your state may have franchise laws that require a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the State Franchise Administrator Listed in EXHIBIT G for information about the Franchisor, or Franchising in your State.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW OUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION IN THE STATE OF DELAWARE. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN DELAWARE, THAN IN YOUR OWN STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENT; AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. IF YOU ARE AN ENTITY, WE WILL REQUIRE EACH OWNER TO SIGN A GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS CAUSING THE OWNER TO BECOME INDIVIDUALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISEE AND BOUND BY THE RESTRICTIVE COVENANTS, CONFIDENTIALITY PROVISIONS, AND INDEMNIFICATION PROVISIONS OF THE FRANCHISE AGREEMENT.**
- 4. THE FRANCHISE AGREEMENT PERMITS US AND OUR AFFILIATES TO ESTABLISH OTHER FRANCHISED OR COMPANY-OWNED LOCATIONS AT ANY LOCATION OTHER THAN YOUR FRANCHISED LOCATION, TO SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, OR TO ESTABLISH OTHER CHANNELS OF DISTRIBUTION WHICH MAY COMPETE WITH YOUR FRANCHISE. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.**
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**
- 6. THE FRANCHISEE WILL BE SUBJECT TO A FLAT ROYALTY FEE OF \$1000 AND IF GROSS SALES ARE OVER \$500,000 AN ADDITIONAL 3% OF GROSS SALES WILL BE ADDED TO THE FLAT ROYALTY FEE.**
- 7. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$98,800 TO \$287,400. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER EQUITY AS OF DECEMBER 31, 2016, WHICH IS \$34,509.**

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